

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6462

BILL NUMBER: HB 1154

NOTE PREPARED: Dec 30, 2012

BILL AMENDED:

SUBJECT: Hamilton Superior Court Magistrate.

FIRST AUTHOR: Rep. Richardson

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows the judges of the Hamilton superior court to jointly appoint a third full-time magistrate.

(The introduced version of this bill was prepared by the Commission on Courts.)

Effective Date: July 1, 2013.

Explanation of State Expenditures: The added expenditures for the state General Fund would begin July 1, 2013. The following table projects these expenditures based on FY 2013 salary and benefit costs and assumes that salaries and benefits are not increased.

New Positions Created						
Provision	Number of Judicial Officers	Effective Date	FY 2014	FY 2015	FY 2016	FY 2017
Hamilton County Magistrate	1	1-Jul-2013	\$155,587	\$155,587	\$155,587	\$155,587

Background Information- The salaries of circuit and superior court judges can be adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC

33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased and the Chief Justice of the Indiana Supreme Court approves the increase.

State expenditures associated with these new court officers also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for the persons filling these new positions will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table shows estimates of the total compensation (base salary and fringe benefits) of judges and magistrates during FY 2013. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1). Effective January 15, 2013, salaries of state employees will increase between 3% and 8%. [LSA will update this fiscal note when the new salaries are available.]

Salaries and Benefits for Judges and Magistrates (FY 2013)		
<u>Benefits</u>	<u>Judges</u>	<u>Magistrates</u>
Salary	\$130,080	\$104,064
Life Insurance	\$169	\$135
Indiana Judicial Conference	\$1,000	\$1,000
Social Security	\$9,951	\$7,961
Disability Insurance	\$2,276	\$1,821
Retirement (see note)	\$36,751	\$29,401
Health, Dental, and Vision (blended rate)	\$11,205	\$11,205
Total Cost Per Judicial Officer	<u>\$191,432</u>	<u>\$155,587</u>

Note About Retirement Costs– The normal cost of each active member less the member’s contribution (6% of payroll) is used to calculate the annual pension costs of judges and magistrates. Normal cost is defined as the amount equal to the present value of benefits accruing for a particular plan. Between 2006 and 2012, normal costs per active member for the plan increased by 96%. This is due, in part, to increases in retirement and disability benefits.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Division of State Court Administration, Indiana Supreme Court; Indiana Judicial Center.

Local Agencies Affected:, Hamilton County superior court

Information Sources: Division of State Court Administration; Judges Retirement Fund; Department of Personnel.

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